

INDUSTRY UPDATE

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Phoenix Metro Area

Manufacturing

Spurred by favorable patent judgments, Chandler-based **Durel Corp.** expects to **double** the size of its **workforce and manufacturing facilities** within the next six months. The 12-year-old company, which makes electroluminescent lighting products, was awarded more than \$63 million by a U.S. District Court in Phoenix because of patent infringements by Sylvania Corp. that cost Durel more than \$100 million in business the past six years. Durel said it plans to **hire up to 300 workers** — including production specialists, engineers, customer-service representatives, and marketing specialists — and expand its plant size from 75,000 to 143,000 square feet by the end of the year.

Transportation, Communications, and Public Utilities

The **exploding demand for communication services** such as the Internet, cellular phones, and high-speed data transfer is fueling a similar **demand for software and hardware engineers, network specialists, and technicians** to build the infrastructure to support these products. One part of that infrastructure is "telco hotels," which are usually former office buildings that have been converted to hold the equipment (e.g., computer servers, fiber-optic networks) used for these services. In the Valley, **four new telco hotels are planned**, on top of three existing ones. One facility would be built in the basement of the former Galleria mall in downtown Scottsdale. Along with office space on the first through third floors and retail shops on the south side of the building, the newly named **Technology Center of Scottsdale** is

expected to be **home to 1,500 employees**. Another area of growth is in customer-support technicians needed to hook up homes for high-tech services. Phoenix-based **CDI Telecommunications** recently announced it will open a **450-employee Tempe center** where it will consolidate three other Valley operations. One of CDI's major customers is USWest, which is expanding its consumer products to include high-speed data and video capabilities. Currently, CDI has about 400 employees.

Tucson Metro Area

Manufacturing

Vanguard Technical Solutions, which was awarded a \$4.6 million contract to design and build an automated system for a medical-device manufacturer, is desperately seeking high-tech workers. The one-year-old company, which wants to **add 35 people** to its current workforce of 25, is seeking hardware and software engineers with experience in automation.

Construction

Three **open-air retail centers**, each around 400,000 square feet, are in the works for the Tucson metro area. **Diamond Ventures Inc.** of Tucson plans to build two of the outdoor malls — **Steam Pump Village in Oro Valley** (Oracle and First Avenue) and **River Crossing** at River Road and La Cholla Boulevard. **Westcor Partners** of Scottsdale has proposed to build an as-yet **unnamed retail complex** at Campbell and Skyline, but faces opposition by a neighborhood coalition and the Pima County Board of Adjustment. Work on both of the Diamond projects — which will include Harkins multiplex theaters, res-

taurants, retail shops, offices, and other entertainment features in a pedestrian-friendly setting (e.g., 12-foot-wide sidewalks) — is **scheduled to begin early in 2001** and be **completed by the end of the year**. Steam Pump Village, which will also include a 250-room hotel, will use a “Main Street” theme throughout the shopping plaza. River Crossing, which will be built in three phases, will have a modernistic look. Westcor will have a tougher road to gain approval for its retail center that would include specialty stores, upscale restaurants, and a high-end grocery store in a setting that resembles St. Phillip’s Plaza in Tucson. Nearby residents believe the development would create traffic problems, and tough zoning requirements could limit the size of the project.

The sleepy village of **Sahuarita**, 25 miles south of Tucson, is slowly being transformed into a thriving modern community. Work began last year on the first phase of a **2,800-acre development** called **Rancho Sahuarita**, which **could eventually contain up to 10,000 homes**. Also planned are retail shops, a town center with municipal offices, recreational facilities, and walking trails. The first phase of the project, an adult community called **Rancho Resort**, includes **1,800 manufactured homes** on 200 acres. More than 160 building permits were issued in 1999, and the pace of selling has picked up this year. **Commercial development** is also part of Rancho Sahuarita, with a **movie complex** opening up in May and a 220-acre **mixed-use development** expected to receive zoning approval in the next two months.

Services

An unspecified number of positions will be **eliminated** when **CIGNA HealthCare closes three medical centers in Tucson and one in Green Valley** by the **end of the year**. Eighty employees will be offered an opportunity to apply for positions at CIGNA facilities in the Phoenix area. CIGNA decided to curtail its Medicare operations in Tucson, but will still contract with providers

for other services.

Balance of State

Manufacturing

Guardian Fiberglass plans to **hire 150 people**, for mostly **production jobs**, at its new 600,000-square-foot **plant in Kingman** (4200 Industrial Blvd). The Auburn Hills, Mich.-based company, which will start operations in late June, will pay the workers an average of \$25,000 a year. Guardian, which makes building insulation products for the construction industry, previously had hired about 50 administrative and supervisory workers.

Trade

C & H Properties of Scottsdale has announced plans to **transform** a former **Payson Wal-Mart** store into a **mini-mall** that will feature a four-screen movie theater, retail shops, and restaurants. Expected to be named **Rim Country Mall**, about 50 percent of the shopping center’s space has been preleased. Payson Athletic Club will be one of the major tenants, leasing 10,000 square feet. Payson has seen an “explosion” of retail projects in the past year, including the opening of a new Wal-Mart “supercenter” and the current building of another shopping center, Sawmill Crossing.

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